

ASSEMBLY BILL

No. 2451

Introduced by Assembly Member Salinas

February 21, 2002

An act to amend Section 22717 of, and to add Sections 25004.5 and 26504.5 to, the Education Code, relating to state teachers' retirement, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2451, as introduced, Salinas. State teachers' retirement: credit for sick leave.

Under existing law, members of the Defined Benefit Program of the State Teachers' Retirement Plan receive service credit for accumulated, unused sick leave at retirement. Existing law requires the member's employer to remit to the Teachers' Retirement Fund, a continuously appropriated fund, an amount billed by the Teachers' Retirement Board for that service credit.

This bill would authorize part-time employees of community college districts who are members of the Defined Benefit Program to instead receive a credit, as specified, to their Defined Benefit Supplement Account for that accumulated, unused sick leave and would require the employer to remit to the Teachers' Retirement Fund the amount billed by the board for that credit, thereby making an appropriation.

Under existing law, members of the Cash Balance Benefit Program of the Teachers' Retirement Plan do not receive credit for accumulated, unused sick leave at retirement. Employer and employee contributions under that program are deposited in the Teachers' Retirement Fund.

Under this bill, part-time employees of community college districts who are members of the Cash Balance Benefit Program of the State

Teachers' Retirement Plan or an alternative retirement plan offered by the district would receive an employer contribution, as specified, on account of their accumulated, unused sick leave at the time of retirement. By increasing employer contributions to the Teachers' Retirement Fund, the bill would make an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 22717 of the Education Code is
2 amended to read:

3 22717. (a) A member shall be granted credit at service
4 retirement for each day of accumulated and unused leave of
5 absence for illness or injury for which full salary is allowed to
6 which the member was entitled on the member's final day of
7 employment with the employer by which the member was last
8 employed to perform creditable service subject to coverage by the
9 Defined Benefit Program.

10 (b) The amount of service credit to be granted shall be
11 determined by dividing the number of days of accumulated and
12 unused leave of absence for illness or injury by the number of days
13 of service the employer requires the member's class of employees
14 to perform in a school year during the member's final year of
15 creditable service subject to coverage by the Defined Benefit
16 Program, which ~~shall~~ may not be less than the minimum standard
17 specified in Section 22138.5. The number of days ~~shall~~ may not
18 include school and legal holidays. In no event ~~shall~~ may the divisor
19 be less than 175. For members employed less than full time, the
20 standards identified in Section 22138.5 shall be considered as the
21 minimum full-time equivalent. For those standards identified in
22 Section 22138.5 that are applicable to teachers or instructors and
23 that are expressed only in terms of hours or instructional hours, the
24 number of hours or instructional hours shall be divided by six to
25 determine the number of days.

26 (c) When the member has made application for service
27 retirement under this part, the employer shall certify to the board,
28 within 30 days following the effective date of the member's
29 service retirement, the number of days of accumulated and unused
30 leave of absence for illness or injury ~~that~~ to which the member was



1 entitled to on the final day of employment. The board may assess
2 a penalty on delinquent reports.

3 (d) This section shall be applicable to any person who retires on
4 or after January 1, 1999. *A member who is employed on a less than*
5 *full time basis by a community college district and who retires on*
6 *or after January 1, 2003, may not receive service credit under this*
7 *section if he or she elects to receive credit under Section 25004.5.*

8 SEC. 2. Section 25004.5 is added to the Education Code, to
9 read:

10 25004.5. (a) This section shall apply to members employed
11 on a less than full time basis by a community college district.

12 (b) In lieu of receiving service credit under Section 22717, a
13 member described in subdivision (a) may elect to receive a credit
14 to his or her Defined Benefit Supplement Account for each day of
15 accumulated and unused sick leave to which the member was
16 entitled on the member's final day of employment. The amount of
17 the credit shall equal the amount of net pay that the member would
18 have received if the member had used all of his or her accumulated
19 and unused sick leave immediately prior to retirement. The
20 member shall make this election at the time the member applies for
21 service retirement.

22 (c) The employer shall certify to the board, within 30 days
23 following the effective date of the member's service retirement,
24 the number of days of accumulated and unused sick leave to which
25 the member was entitled on the final day of employment. The
26 board may assess a penalty on delinquent reports. The board shall
27 bill the employer for the amount of credit granted under this
28 section subject to the provisions of Section 22718.

29 (d) No credit shall be granted under this section for any
30 payment made for accumulated sick leave upon transfer from one
31 employer to another, upon termination of service, upon retirement,
32 or upon death. The credit granted under this section may not be
33 used in the determination of final compensation.

34 SEC. 3. Section 26504.5 is added to the Education Code, to
35 read:

36 26504.5. (a) This section shall apply to any employee of a
37 community college district who is employed on less than a full
38 time basis and who is a participant in the Cash Balance Benefit
39 Program or in an alternative retirement plan, other than Social
40 Security, offered by the employer as provided in Section 26300.

1 (b) At the time of the participant's retirement, the employer
2 shall contribute to the employer account in the Cash Balance
3 Benefit Program, or to the appropriate account for the benefit of
4 the employee under the alternative retirement plan, an amount
5 equal to the net pay that the participant would have received if the
6 participant had used all of his or her accumulated and unused sick
7 leave immediately prior to retirement.

8 (c) With respect to a participant in the Cash Balance Benefit
9 Program, the employer shall certify to the board, within 30 days
10 following the effective date of the participant's retirement, the
11 number of days of accumulated and unused sick leave to which the
12 participant was entitled on the final day of employment. The board
13 may assess a penalty on delinquent reports or delinquent
14 contributions.

15 (d) No contributions shall be made under this section if the
16 participant has received payment for accumulated sick leave upon
17 transfer from one employer to another, upon termination of
18 service, upon retirement, or upon death.

